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For Immediate Release:
Feb. 16, 2005

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JCAR to review if administration exceeded authority

Sen. Mike Bishop, R-Rochester, the alternate chairman of the Joint Committee on Administrative Rules, today issued the following statement regarding Thursday's committee hearing:

"In light of the Michigan Office of Financial and Insurance Services proposed rule banning the use of credit history by insurance companies, the Joint Committee of Administrative Rules will address the concerns that OFIS has exceeded its rule making authority.

Moreover, it appears that the proposed rule is directly and unambiguously in conflict with state law. Current state law provides OFIS with clear direction in addressing disputes over individual insurance companies' use of particular factors in determining premiums and rates which the proposed rule ignores.

Most importantly, even if one were to ignore the fact that OFIS has historically approved the use of credit history, it cannot be denied that changes of this nature to the Insurance Code have consistently been under the exclusive jurisdiction of the Legislature.

As one who believes in a representative democracy, I find the proposed rule a direct assault on the legitimacy of the Legislature."

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